

Message Text

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SUBJ: ENERGY SYSTEMS AND FLUID POWER RESEARCH STUDIES

REF: SINGAPORE 3333(NOTAL)

1. APPRECIATE YOUR RECOGNITION" ...FINAL REPORTS MAY NOT YET DE DUE..." ON ENERGY SYSTEMS AND PUMPS, VALVES AND COMPRESSORS(PVC). IN FACT THEY ARE NOT RPT NOT DUE UNTIL SEPTEMBER 5, 1975 FOR PVC AND AUGUST 29, 1975 FOR ELECTRIC ENERGY SYSTEMS. WE HAVE HELD MIDTERM MEETINGS WITH BOTH MARKET RESEARCH CONTRACTORS AND BOTH ARE ON TARGET IN ACCORDANCE USDOC PROCEDURES, WHICH DO NOT RPT NOT REQUIRE SUBMISSION MID TERM DRAFT STUDY. MOBIUS MID TERM REPORT ON MULTIMARKET ELECTRIC ENERGY STUDY WAS SUBMITTED TO HONG KONG RATHER THAN JAKARTA. OIM MARKET RESEARCH SPECIFICATIONS SENT JAKARTA FOR PVC STUDY OD NOT RPT NOT CLEARLY STIPULATE THAT PRELIMINARY STATISTICAL TABLES WERE TO BE SUBMITTED DURING MIDTERM REVIEW, THUS ALTHOUGH CONTRACTOR HAS SHOWN US SUFFICIENT DATA TO DEMONSTRATE THAT WORK IS PROGRESSING, HE WAS NT RPT NOT ASKED TO PRESENT PRELIMINARY VERSIONS OF THE PVC MARKET STUDY TABLES. NEVERTHELESS, WE WILL REQUEST COPIES WHATEVER STATISTICAL DATA PVC CONTRACTOR NOW HAS AND FORWARD THEM

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TO USRTC ALONG WITH COPY HIS MIDTERM REPORT. SUGGEST

YOU CABLE HONG KONG FOR COPIES OF DATA MOBIUS PRESENTED
WITH HIS MID TERM ELECTRIC ENERGY REPORT.

2. REFTTEL PENULTIMATE SENTENCE IMPLIES ASSUMPTION THAT
SUBJECT MARKET STUDIES WILL SUPPORT DECISION TO EXPAND
YOUR, USDOC, AND JAKARTA RESOURCES IN PROPOSED ENERGY
AND FLUID TRANSFER EXHIBITION. HOWEVER, BOTH CONTRACTORS'
MIDTERM OBSERVATIONS AND PRELIMINARY ROUGH DATA RAISE
SIGNIFICANT QUESTIONS WHETHER PROPOSED EVENT WOULD IN FACT
HAVE SUFFICIENT IMPACT ON INCREMENTAL US EXPORTS TO
JUSTIFY NECESSARY ALLOCATION OF USG RESOURCES. PVC STUDY
APPEARS REVEAL THAT, WHILE PVC MARKET IS ADEQUATE AND
GROWING, IT IS HEAVILY CONCENTRATED IN EXPATRIATE PETROLEUM
SECTOR WHOSE PURCHASE DECISIONS ARE NOT RPT NOT MADE IN
INDONESIA BUT RATHER BY HEADQUARTERS OFFICES OF FOREIGN
CONTRACTORS TO PERTAMINA, LOCATED MOSTLY IN US. NET
RESULT IS THAT US ALREADY HOLDS PREEMINENT PVC MARKET
SHARE POSITION, WHICH PROBABLY COULD NOT RPT
NOT BE AFFECTED BY TRADE PROMOTION EVENT HELD IN
INDONESIA.

3. ELECTRIC ENERGY MARKET MORE COMPETITIVE BUT PUBLIC
POWER DECISIONS LARGELY DETERMINED BY TIED G TO G
CONCESSIONARY FINANCING. MOBIUS SAID HE BELIEVES THAT
MARKET IS CONTRATED IN PUBLIC ELECTRIC POWER GENERATION
AND TRANSMISSION PROJECTS AND THAT US IS ALREADY WELL
REPRESENTED ON SUCH OF THESE OPPORTUNITIES WHOSE FINANCING
PERMIT US BIDDING. (BOTH GE AND WESTINGHOUSE HAVE
PERMANENT EXPATRIATE REPRESENTATION IN INDONESIA AND
AVIDLY PURSUE ALL PUBLIC POWER PROJECTS). SINCE
KEY DECISION VARIABLE IN ELECTRIC ENERGY MARKET OFTEN
IS FINANCING SOURCE, AND SINCE MAJOR US EQUIPMENT SUPPLIERS
ALREADY MAINTAIN ACTIVE PROMOTIONAL IN COUNTRY PROGRAMS
A USG SPONSORED PROMOTIONAL EVENT WOULD
PROBABLY IMPACT ONLY ON A SMALL PORTION OF TOTAL MARKET
RECEIVING US OR UNTIED FINANCING BUT
NOT COVERED BY MAJOR US FIRMS ALREADY HERE. EXTENT OF
CAPTIVE POWER MARKET OPPORTUNITIES AND FRACTIONAL MOTORS
FOR INDUSTRIAL AND CONSUMER PRODUCTS YET TO BE
REVEALED TO KS BY MOBIUS BUT MAY BE COVERED IN HIS INTERIM
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REPORT TO HONG KONG. NEWSOM

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